

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  CS TECHNOLOGIES, INC.	DOCKET NOS. TCU-01-17 WRU-01-42-3590
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**ORDER APPROVING APPLICATION, CONCURRENCE IN MAPS,  
AND GRANTING WAIVER**

(Issued October 4, 2001)

On August 23, 2001, CS Technologies, Inc. (CS Technologies), filed an application for issuance of a certificate of public convenience and necessity, pursuant to Iowa Code § 476.29 (2001), stating its intention to provide facilities-based local exchange service to both business and residential customers in the exchanges served by Qwest Corporation (Qwest). The application has been identified as Docket No. TCU-01-17. CS Technologies has provided the qualifications of its company officers and financial statements and has stated it will support a 2-PIC methodology for dialing parity.

Iowa Code § 476.29(2) provides that the local exchange carrier shall not be denied a certificate if the Utilities Board (Board) finds that the applicant “possesses the technical, financial, and managerial ability to provide the service it proposes to render and the Board finds the service is consistent with the public interest.”

The Board has reviewed CS Technologies’ application and finds the necessary technical, financial, and managerial abilities to provide local exchange

service have been demonstrated. The Board finds it is consistent with public interest to approve the application.

CS Technologies also states that its service area will mirror the service territory of exchanges and service area maps of Qwest as they are currently filed and as they may be modified in the future. Iowa Code § 476.29(4) requires that each certificate define the service territory in which land-line local telephone service will be provided and authorizes the Board to promulgate rules establishing requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have maps on file with the Board which show exchange boundaries. The Board finds that CS Technologies has complied with the statutory and rule requirements by concurring in the exchange maps of Qwest.

CS Technologies has requested that the Board waive the requirements of 199 IAC 16.5(2) and 199 IAC 22.3(1). The waiver requests were identified as Docket No. WRU-01-42-3590.

CS Technologies requested a waiver of 199 IAC 16.5(2), which requires the keeping of records according to the uniform system of accounts. CS Technologies states it will maintain its books in accordance with generally accepted accounting principles (GAAP). The Board finds this waiver should be granted, since records kept in accordance with GAAP accounting are acceptable for a competitive local exchange service provider.

CS Technologies has requested the requirements of 199 IAC 22.3(1) be waived. The rule requires local exchange utilities to publish telephone directories.

The Board will grant the waiver based upon the statement of CS Technologies that it will arrange for its customers to be included in the directory of the incumbent carrier.

Rule 199 IAC 1.3 states that the Board may grant waivers of its rules based upon clear and convincing evidence that the application of the rule would pose an undue hardship, the waiver would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver request as described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

Adherence to these rules would be an undue hardship on a competitive telecommunications company just beginning to do business in Iowa and would be an undue hardship on CS Technologies because other competitive carriers have been granted similar waiver requests. The Board finds there are no substantial legal rights of any person that are affected by these waivers and there is no statute that specifically mandates the actions waived. Additionally, the Board finds that there will be substantial equal protection for health, safety, and welfare provided since the action waived will be completed under different circumstances.

CS Technologies has not filed proposed tariffs for Board approval setting out the prices, terms, and conditions of local exchange service in Iowa. The Board finds that a certificate should not be issued to CS Technologies until it has approved tariffs.

**IT IS THEREFORE ORDERED:**

1. The application for a certificate of public convenience and necessity filed by CS Technologies, Inc., on August 23, 2001, is granted, subject to the requirements that follow.

2. The Board will issue a certificate of public convenience and necessity allowing CS Technologies, Inc., to provide facilities-based local exchange service upon approval of tariffs to reflect the prices, terms, and conditions of local exchange service in Iowa. At the time CS Technologies, Inc., files proposed tariffs with the Board, it must give notice to all affected local exchange carriers.

3. The concurrence in the maps and boundaries of the exchanges of Qwest Corporation is approved.

4. The waiver of 199 IAC 16.5(2) and 199 IAC 22.3(1) are granted as described in this order.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 4<sup>th</sup> day of October, 2001.